



FINAL MINUTES

COMMITTEE FOR PURCHASE FROM PEOPLE WHO ARE BLIND OR SEVERELY DISABLED

Thursday, March 11, 2010
Arlington, VA
9:00 am

Mr. Andrew Houghton, Committee Chairperson, called the meeting to order at 9:05 am. In accordance with Committee practice, the attendees introduced themselves.

I. Consideration of the Minutes – January 2010

Mr. Houghton stated that Ms. Angela Phifer, Committee Executive Assistant, received some changes to the January minutes. Mr. James Omvig, Committee Vice Chairperson, made a motion that the minutes be accepted with the pending changes. His motion received a second and the minutes were adopted by unanimous vote.

II. Executive Director's Report

Ms. Tina Ballard, Executive Director, reported that a Memorandum of Agreement (MOA) has been signed by AbilityOne and the Boeing Company. This is the first MOU between all AbilityOne stakeholders and a private entity. The goal of the MOA is to continue support of the Department of Defense's (DoD) mission to increase opportunities for people who are blind or have other significant disabilities. Ms. Ballard added that Northrop Grumman also has a draft MOA with AbilityOne and discussions have been conducted with Honeywell about doing a similar agreement.

Mr. Omvig asked if Boeing is encouraging the employment of people who are blind. Ms. Ballard affirmed that they are indeed interested in employing both people who are blind or disabled.

Ms. Ballard announced that the DoD Procurement Training Conference will be held in May and will include a mandatory track of AbilityOne classes.

Ms. Ballard asked the Committee members to inform Mr. Kermit Jones, Chief of Staff, regarding their availability to attend a May Committee meeting at the NISH National Training Conference in Anaheim, CA. She said the July Committee meeting is scheduled to be held at ServiceSource.

Next, Ms. Ballard said the White House has received names of the *potential* Committee member Nominees. However, no nominees have yet been appointed by the President. No official communication has come from the White House regarding the individuals identified during the report or any other potential nominees.

Mr. Claude and Mr. Omvig both commended Ms. Ballard on an outstanding report.

Ms. Kathleen Martinez, Department of Labor/ODEP, joined the meeting and Mr. Houghton welcomed her. Ms. Martinez introduced herself and gave a brief overview of her background. Mr. Houghton said that Ms. Martinez was being modest and told the Committee that she has a wealth of knowledge and experience. Ms. Martinez said she is very interested in the QWE initiative and asked if she could be provided with more information.

III. CNA Reports

NIB

Mr. Kevin Lynch, President and CEO of National Industries for the Blind (NIB), stated that NIB held a successful Public Policy Forum (PPF) with a record turnout. He said there were training sessions for all attendees followed by over 100 visits to Congressional offices on March 10th. Mr. Lynch met with Chairman Ed Towns of the House Oversight Committee and recognized four new Congressional Champions.

Mr. Lynch said last week he received a report from a year-long cost benefits study and the results were very positive. He said NIB is arranging for the consultant to provide an executive level briefing for the Committee and NISH in April 2010.

Mr. Lynch reported that the results for the first quarter of FY 2010 are very encouraging with a 7.8 percent increase in blind direct labor hours over the same period last year.

Next, Mr. Lynch showed the newly developed Contract Management Support (CMS) video. He said a Memorandum of Agreement (MOA) has been signed with NIB being the lead agency for the CMS project, with the actual work being shared 50-50. He said the customers are happy, the employees are satisfied and NIB is creating a career path for the employees to progress further. The Department of the Army has established a three-month intern program with the potential for successful interns to be hired as federal employees. In response to a question from Mr. Omvig, Mr. Lynch stated that the CMS program also covers totally blind persons and that NIB provides IT support and makes technology accessible to all. Mr. Omvig commended Ms. Ballard for initiating this project that will give people who are blind new and exciting opportunities.

Ms. Martinez stated that the U.S. Department of Labor (DOL) would like to support the CMS program. In response to questions, Mr. Lynch stated that currently the program involves six legally blind and four severely disabled employees who earn on average between \$17.00 and \$25.00 per hour plus benefits.

Ms. Martinez wanted to know how that salary compares to the Federal workforce. Mr. Lynch said some of the workers could be hired as Schedule A employees or as General Schedule 7 employees with promotion potential to Grade 11. She said she would like to help promote the initiative and support it in any way possible.

Mr. Robert Kelly, Private Citizen, stated that the video shown was one of the best NIB videos he had ever seen. Mr. Houghton added that he liked the use of the logos.

In response to a question about the potential of CMS from Chairman Houghton, Ms. Knott responded that 75 DoD locations have responded positively to a data call from Mr. Shay Assad with a potential for 250,000 contract closeout opportunities. Mr. Lynch said NIB is also looking for a federal agency as a sponsor to cover all civilian agencies. Ms. Knott said so far 1,100 contracts have been closed and de-obligated approximately \$1.7 million thereby benefitting the DoD agencies. Mr. Tony Poleo, DLA, urged NIB not to ignore the DoD financial community in its efforts to expand the program. He said the CFO Council and others could be real advocates of the program on the basis of de-obligation of funds.

NISH

Mr. Robert Chamberlin, President and CEO of NISH, said he wanted to cover three topics in his report.

First, Mr. Chamberlin showed a clip of Fox Channel 5 News' coverage of the AbilityOne/JETS Engineering Challenge. This competition began about five years ago for high school students to design and develop assistive technology solutions. This year 2,000 high school students participated. Five teams were selected to come to Washington, DC for the final competition.

In response to questions from Ms. Martinez, Mr. Chamberlin responded that JETS solutions are displayed on the NISH website and there are unanswered legal questions concerning the patents on the inventions.

Mr. Chamberlin said 30 universities also participated and developed long-term relationships with nonprofit agencies. In response to questions from Mr. Houghton, Mr. Chamberlin said NISH will continue to place emphasis on the college program.

Secondly, Mr. Chamberlin thanked the Committee staff for their assistance with the housekeeping contract at Ireland Community Hospital in Ft. Knox, Kentucky. In response to questions from Mr. Robert Kelly, Private Citizen, Mr. Chamberlin stated that there were timeliness issues in meeting deadlines.

Next, Mr. Chamberlin discussed the NISH/NIB Collaboration with contact centers. The first one under active development is the Defense Logistics Center Tier-1 Help Desk in all locations. He said this project has to be developed with government customers. Mr. Chamberlin said there are 200 people with disabilities employed at the U.S. State Department. These employees answer passport-related questions at a call center in Lansing, Michigan. He said the government customer was present for the ribbon cutting ceremony. Mr. Chamberlin thanked Mr. Poleo for his advocacy in helping speed up solutions for the IT helpdesk.

NISH is also looking for new opportunities beyond the call center work. Mr. Chamberlin said NISH has been holding capability briefings with the Social Security Administration (Ticket-To-Work), Immigrations and Customs Enforcement (human resources) and the National Institutes of Health (commercial subcontract opportunity).

Ms. Martinez said the passport call center is a bright spot in Michigan because it is helping to lower the high unemployment numbers there.

Lastly, Mr. Chamberlin gave a run-down of NISH's upcoming events. He said the CEO Fly-In will be held March 15-18, which focuses on the CEOs and on March 17-19, the NISH Board of Directors' Meeting. Both events will be held in Washington, DC. Mr. Chamberlin also announced on May 24-26, the National Training and Achievement Conference will take place in Anaheim, California. The last event he mentioned will be held in Washington, DC on June 7-10, the Grassroots Advocacy Conference, and it will have a focus on people with disabilities.

Ms. Ballard welcomed Ms. Pamela Schwenke, Associate Deputy Assistant Secretary for Contracting, Office of the Assistant Secretary of the Air Force for Acquisition, to the meeting. She said Ms. Schwenke is a strong advocate for the program and she will be an excellent addition to the Committee. Ms. Schwenke said she is thrilled to join the Committee and is excited about getting to know everyone. Mr. Houghton commented that it is nice to see the seats around the table filling up.

Mr. Laird asked if the White House plans to proceed with the limited amount of nominees, since he was previously told that a full slate of names was needed to go ahead with the clearances. Ms. Ballard said the White House sent notification that they would go forward with the clearances. A letter was sent to the Department of the Army.

IV. Subcommittee Reports

Effective Stewardship Subcommittee

Mr. Paul Laird, Chair, reported on the objectives of the Effective Stewardship subcommittee. The first objective of Stewardship is to have 100 percent of AbilityOne-participating nonprofit agencies achieve full compliance with all statutory and regulatory requirements by 2014. Mr. Laird said the Committee has received all annual certifications and there are 13 agencies identified as out of ratio, but six had surge or phase-in. It has been decided that no presentations are necessary this year. There were two agencies that were below ratio for multiple years, but the first one, Goodworks, has followed their corrective action plan and they are back in compliance, while the second agency, Abilene Goodwill, has decided to leave the program. Next, Mr. Laird stated that the Compliance team would not be able to execute all 120 compliance reviews and visits. Mr. Bartalot said that NISH still does regulatory assistance visits of their agencies on a three-year cycle and that the Committee staff coordinates with NISH to minimize overlap.

Mr. Houghton asked Mr. Bartalot if he thinks the top 25 agencies will have compliance reviews and Mr. Bartalot responded in the affirmative. Mr. Bartalot said he hopes to add two additional Compliance staff this year and based on two new hires he believes that 120 visits will be accomplished by September 2014.

Employment Growth Subcommittee

Dr. Ed Anthony reported on the objectives of the Employment Growth subcommittee, on behalf of Chair, Admiral Michael Lyden. The first objective is to increase employment opportunities and quantity of work for employees by two percent per annum for products and seven percent per annum for services through 2014. Dr. Anthony said there were no significant issues with the percentage change in direct labor for products but the subcommittee is behind schedule when it comes to services. There has been an increase during the second and third quarters.

Dr. Anthony said the subcommittee plans to review the U.S. Department of Agriculture's (USDA) goal policy and collect agency AbilityOne sales data. By using USDA as a model, the subcommittee will identify initial agencies to target and plan to meet with them.

Business Excellence Subcommittee

Ms. Kimberly Zeich, Deputy Executive Director, reported on behalf of Mr. Tony Poleo, Chair of the Business Excellence subcommittee. The objective of the subcommittee is to improve critical business practices that impact the AbilityOne program and stakeholders. The subcommittee hopes to accomplish this by improving the PL end-to-end process, improving the fair market price and aligning the CNA Fee methodology to strategic goals of the AbilityOne Program.

Ms. Zeich reported that the lean six diagnosis and the diagnosis of the PL end-to-end addition process have been completed. Ms. Zeich discussed the project scope which will be an analysis of the entire current "As Is" PL Add process. Ms. Zeich said the current process consists of seven stages and the subcommittee hopes to implement solutions to improve the entire process. Ms. Zeich said the lean group identified 100 solutions and the next steps will be to focus on the top four solutions. They are: reduction in NPA costing/pricing cycle, accept and/or encourage PL Addition requests earlier in the cycle, improve impact process and revise impact policy and improve flow of information from CNA to Committee. Next, Ms. Zeich discussed the solutions and effects involved in cycle. She said that the subcommittee received excellent support from NIB and NISH.

Ms. Zeich went on to discuss the next steps which involved selection of improvement teams, developing an implementation plan for each solution and tracking implementation and report results. Ms. Zeich said the subcommittee would like to reduce the cycle time down to 400 days and complete at least two PL lean projects.

Ms. Zeich completed her report by saying the subcommittee is looking at the CNA budgets and the CNA Fee Ceiling for 2011 and plans to make a presentation by April.

Ms. Zeich invited everyone to share in the birthday celebration of Vice Chairperson, James Omvig during the break.

V. Awards/Recognition

Following the break, Ms. Kathleen James, former Committee representative of the U.S. Air Force, was recognized for her service and dedication to the Committee. Mr. Houghton presented Ms. James with a plaque of appreciation. Ms. James thanked the Committee and said she would not lose her connection with the AbilityOne Program because she plans to begin work with a nonprofit agency in Michigan.

VI. Employee Panel – Blind Industries and Services of Maryland (BISM)

Mr. James Omvig, Chair of the Employment and Customer Satisfaction subcommittee, asked Ms. Martinez to consider joining his subcommittee. Mr. Omvig said in lieu of his subcommittee report, a panel of employees from Blind Industries and Services of Maryland (BISM) would have an open dialogue.

Mr. Jason Bryn, Workforce Development Program Director External Affairs, NIB, served as moderator of the panel. Mr. Bryn introduced BISM employees, Ms. Johnna Harrison, Mr. Lee Strickler, and Mr. Steve Grier. Mr. Bryn said the panelists would share information about their backgrounds, training, and work experiences and then discuss the three principles of QWE and their aspirations of achieving their full employment potential.

Ms. Johnna Harrison, Human Resources Assistant has held rehabilitation, production, administration and HR positions for 10 years at BISM. Ms. Harrison said once she started to lose her vision, no employer in the private sector would hire her. She found BISM and the AbilityOne program through state rehabilitation services (RSA). While initially receiving rehabilitation services at BISM, Ms. Harrison's potential was identified where she became a rehabilitation specialist in a career training program. When the grant expired that funded the career training program, she took a manufacturing job for a year before an administrative assistant position opened up that she bid on and received. Ms. Harrison recently became BISM's Human Resources Assistant where she handles worker compensation, employee relations and unemployment claims, new employee orientation, job postings, receives resumes for vacancies and sets up job interviews for managers. Ms. Harrison has taken advantage of ongoing training opportunities to learn new skills and avail herself to in-house employment opportunities. She has benefitted from NIB's Business Basics and Leaders at All Levels training program. Ms. Harrison is currently pursuing a bachelor's degree with an emphasis in Human Resources.

Mr. Lee Strickler, Customer Service Associate, came to the AbilityOne Program with an IT background after losing his job at a newspaper company related to his vision loss. Mr. Strickler worked for two years at BISM in Vending as a change counter and bid on a Customer Service Representative position that became available. As a Customer Service Associate, Mr. Strickler does data entry, handles inbound customer calls and interacts with EDI federal customers. In almost five years at BISM, Mr. Strickler has taken advantage of NIB training having taken Hadley Business Basics and NIB leadership courses. At BISM, Mr. Strickler sees further opportunities to move up in the organization to better utilize his professional skill set. He looks forward to new employment opportunities at BISM.

Mr. Steve Grier, Fabric Cutter Machine Operator, has held assembly, sewing, sales/marketing and fabric cutter machine operator positions in five years at BISM. Prior to his work at BISM, Mr. Grier managed a restaurant for four years. Mr. Grier returned to the AbilityOne Program after a layoff and donating a kidney to his mother. He loves the physical work and challenge of operating a sophisticated cutting machine that requires attention to detail by making precise cuts and finding fabric imperfections. Mr. Grier has attended NIB leadership training courses and is currently attaining a bachelors degree in E-Business and Technology to position himself for future opportunities in the computer and technology fields.

Mr. Laird said that UNICOR has been very pleased with the work that BISM has done and they have a great working relationship. He said BISM cuts the material and UNICOR does the sewing.

Mr. Kelly asked Ms. Harrison what problems she has encountered and she said there is no public transportation in Columbia, Maryland.

Mr. Bryn asked the panelists to comment on the three QWE principles: work of choice, training, and career path. Ms. Harrison said that any associate at BISM has a chance to move up and can bid on any job. She said BISM provides the training, software and accessibility for all employees. All of the employees at BISM are called associates.

Mr. Grier said he agreed with the comments made by Ms. Harrison. He said BISM is very fair. His career aspirations include the computer field and E-business.

Mr. Strickler said he has taken many training courses at NIB and he would like to find a position that he can grow into. He said he is overqualified for most of the positions that are offered at BISM. He said he is very interested in the CMS project. He said all employees take leadership classes. Mr. Grier said the training and classes have been beneficial for his advancement.

Mr. Bryn asked the panelists to voice any recommendations they may have for improvement. The panelists agreed that more training and education should be offered for more technical positions. Ms. Harrison said there are a lot of positions offered that are labor intensive. Mr. Omvig recognized Mr. Fred Puente, President, and Ms. Christina Davis, Director of Communications, (BISM) and presented each panelist with a Braille commemorative coin. Mr. Houghton thanked the participants and said another panel should be planned with employees from a NISH agency.

Ms. Barbara Van Allen, NISH, reported that the QWE Steering Group will be in Washington, DC on March 25-26, 2010. Ms. Van Allen reported that work was underway to finalize the first iteration of the QWE Guidebook scheduled for roll out at the NISH conference in May. She also indicated that Martin Gerry, Managing Executive Director for the NISH Institute for Economic Empowerment and Workforce Development, had received many candidate applications for NISH's QWE director position that was recently posted. Ms. Van Allen also discussed the employee satisfaction study and said the QWE working group is gathering data.

VII. Program Report

Mr. Louis Bartalot, Committee staff, gave a report on the AbilityOne Program's FY 2009 results. Mr. Bartalot stated that the direct labor hours worked by people who are blind or severely disabled increased 4.28 percent to a total of 45,936 hours. In FY 2009, 1,041 people were promoted and 271 individuals were promoted into supervisory positions. He said AbilityOne sales increased 12.74 percent and 606 nonprofit agencies were authorized.

Next, Mr. Bartalot said the total direct labor hours were 45,647,969, or 22,824 work years. NIB had an increase of 4.28 percent from last year and NISH had a 4.29 percent increase.

Mr. Bartalot said there was a significant growth in hours. The top ten agencies based on direct labor hours worked were all NISH agencies. Mr. Bartalot said the AbilityOne work is not uniformly spread among all the participating nonprofit agencies. A difference can be seen between the average hours worked by a nonprofit agency which were 75,701 and the median hours worked which were 16,045. He then went on to report on the top ten NIB agencies. He said they were all doing services.

Mr. Bartalot said the total dollar amount in wages is close to \$494 million or \$10.82 per hour. NIB's average wage for services was \$12.49 and for NISH it was \$12.05. For products, NIB's average hourly wage was \$8.10, while NISH's was \$6.72.

In terms of placements, there was a 10.73 percent decrease, but it was a great year in sales with a 12.74 percent increase. Base supply center sales grew 21.68 percent to \$467,713,247. There was a discussion on how commerce sales are tied to the Census. In response to questions from the members, Mr. Bartalot said there are 2,000 employees making products for the Census.

Mr. Bartalot provided a summary chart of Non-AbilityOne work done by AbilityOne nonprofit agencies. It showed that hours worked by people who were blind or severely disabled was down 8.47 percent, the number of people working was down 2.07 percent and that direct placements were down 22 percent. He said all are indicators of how the recession is affecting the nonprofit agencies.

Mr. Bartalot also presented a summary chart including hours, people, wages, promotions, placement and sales. Mr. Houghton stated that he liked the way Mr. Bartalot revamped his charts. Mr. Claude said NIB has spent a huge amount of money trying to balance between military needs during wartime. Mr. Houghton said the non-war numbers are starting to balance out.

VIII. Closing Remarks

Mr. Houghton said a lot of progress has been made because of the commitment from the leaders. He said great progress has been made, but there is still a lot of work to be done. The Committee, NIB, NISH, NCWC, and NAEPB are committed to working together. Mr. Houghton reminded everyone that some of the upcoming events include the NIB Fly-In, NISH Fly-In and the NISH National Training Conference. He said he hopes to see everyone in California.

After determining there was no further business, Mr. Houghton adjourned the meeting at 12:25 pm.

List of Attendees – March 11, 2010

Committee Members

| | |
|-----------------|------------------------------|
| Ed Anthony | Department of Education |
| Abram Claude | Private Citizen |
| Andrew Houghton | Private Citizen |
| Robert Kelly | Private Citizen |
| Paul Laird | Department of Justice/UNICOR |
| James Omvig | Private Citizen |
| Anthony Poleo | Department of Defense/DLA |

Nominees and Potential Nominees

| | |
|-------------------|--------------------------------|
| Glenn Haggstrom | Department of Veterans Affairs |
| RADM Mike Lyden | Department of the Navy |
| Kathleen Martinez | Department of Labor/ODEP |
| Pamela Schwenke | Department of the Air Force |

Committee Staff

Tina Ballard
Patricia Briscoe
Lou Bartalot
Robert Hartt
Amy Jensen
Kermit Jones
Stephanie Lesko
Dennis Lockard
Nancy Myrick
Angela Phifer
Breck Richardson
Joan Smith
Edward Yang
Kimberly Zeich

NISH

Bob Chamberlin
Dennis Fields
Martin Gerry
Elizabeth Goodman
Diane Murray
Paul Plattner
Barbara Van Allen

NIB

Jason Bryn
Angela Hartley
Scottie Knott
Kevin Lynch
Arun Shimpi

Government Representatives/Staffers

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|----------------|-------------------------------|
| Felicia Harvey | U.S. Department of the Army |
| Shaun McGill | U.S. Department of Labor/ODEP |

Other Attendees

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| Christina Davis | BISM |
| John Greene | Independent Consultant |
| Fred Puente | BISM |
| Steve Grier | BISM |
| Jhonna Harrison | BISM |
| Ellen Brown | Goodwill |
| Adele Gasparro | ORC Industries |
| Sharon Omvig | Private Citizen |
| Sandra Sieber | The Spectrum Group |
| Lee Strickler | BISM |
| Woody Van Walkenbergh | Goodwill |